



HOTEL IMPROVEMENT PROGRAM (HIP)

Guidelines and Criteria

SEPTEMBER 2012

PURPOSE/OVERVIEW OF THE HOTEL IMPROVEMENT PROGRAM (HIP)

The Town of Lauderdale-By-The-Sea (Town) desires to induce private investment in small hotel properties located in the Town in order to enhance and preserve the character and scale of the Town's hospitality industry and improve the aesthetic appearance of the Town's commercial areas. The HIP's goal is to provide an incentive for owners and operators of licensed hotel/motel, inn, or bed and breakfast establishments with 50 rooms or less to improve the exterior appearance of their property.

The maximum amount of the Town's grant to any one property shall be \$20,000 and the grant program does require that property owners at least match the amount of the grant funds.

The Town's wishes to open this grant program to lodging operators that are committed to delivering a quality experience to their guests with a product that is adherent to certifiable standards. To this end, the Town's HIP grants are limited to those properties that have applied to receive or are currently designated as **Superior Small Lodging (SSL)** properties by the Broward Convention & Visitors' Bureau (CVB). The SSL has endorsed **Key Acceptable Hospitality Standard Elements** requirements and supports lodging establishments with that designation through marketing efforts.

The Town Commission determines the amount of funding available for the HIP program. In the pilot program, HIP grants will be considered for approval once an application is determined to be eligible, is fully completed, and recommended by staff. The Town Manager may award grants up to \$15,000; the Town Commission awards grants in excess of \$15,000. A grant commitment is not final until both the Town and the recipient have executed the formal grant agreement.

Grants are paid on a reimbursement basis, contingent upon an applicant's successful completion of the improvement and meeting the requirements of the grant agreement.

WHO MAY APPLY

Properties are eligible for HIP funding if they meet the following conditions:

1. The property is a licensed lodging establishment with no more than 50 guest rooms in the RM-25 Zoning District.
2. The property currently holds a Superior Small Lodging (SSL) designation or can demonstrate that they are actively seeking and intend to maintain such designation.

Those who do not yet have the designation must have already applied to SSL, have had a property inspection by SSL, discuss with the Town their plans to correct any deficiencies noted, and commit to achieving the designation within one year of grant award.

3. Applicants must be either owners of the property, or be tenants of the property that operate the lodging business with at least 5 years remaining on their lease of the property for which the program funds are being sought.

Tenants must provide acknowledgement / authorization from the property owner in the form of a notarized letter with the application. In the case of tenant-operated properties, one entity – either owner or tenant – must be designated as the lead applicant, responsible for meeting project deadlines. Both tenant and property owner must sign the grant agreement and commit to the grant requirements.

4. The property involved in the application must be current on their Business Tax Receipt and may have no existing Code violation fines or administrative fees due to the Town, delinquent sewer bills, or owe the Town other monies.
5. The property owner must have no past-due ad valorem taxes on the property.

HIP GRANT PROGRAM FUNDING

The grant is a matching grant and eligible applicants can receive a maximum of \$20,000. The Town will pay one dollar to match one dollar spent by the applicant on improvements approved by the Town, up to a maximum Town payment of \$20,000. (In other words, the hotelier can be reimbursed up to \$20,000 for eligible expenses on a \$40,000 improvement project.)

It is not required that all of the property owner's or tenant's funds be spent on exterior improvements visible to the public rights of way or beach, but the amount of funds to be provided by the Town under the grant **MUST** be for improvements that visibly improve the appearance of the property from the public rights of way and/or the beach. The property owner or tenant may use their "matching" funds on interior upgrades or aspects of exterior improvements that do not demonstrably improve the exterior appearance in order to upgrade the quality of the hotel and assist them in meeting SSL standards.

As this is an incentive program, applications must be submitted and approved by the Town **before** work begins. The grant funds will be distributed according to a project timeline that has been approved by the Town not to exceed six (6) months in length. The project timeline will be determined when the grant agreement is prepared.

Payment will be made to the applicant. The Town shall not be liable to any of the contractors hired by the applicant.

Eligible Improvements:

First and foremost, the projects for which the applicant is seeking a HIP grant must, in the Town's opinion, visibly improve the exterior appearance of the property as viewed from public rights of way or the beach.

Second, the project must be able to be completed within a six month timeframe.

Third, the project must be consistent with all applicable federal, state and local laws including the Town of Lauderdale-By-The-Sea Code of Ordinances and Zoning and Land Development Regulations.

Fourth, the specific improvements for which the HIP grant funds will be used cannot already be in progress.

Grants will be awarded only for quality improvements done in a professional manner. All necessary permits and approvals must be obtained before work is commenced. All work is to be performed and inspected to the satisfaction of the Town of Lauderdale-By-The-Sea Development Services Department and the applicant must request a certificate of completion from the Town's Building Division once the work has been finalized.

The following are a list of eligible improvements provided they meet the four criteria listed above:

1. Removal of elements which cover or replaced the original architectural details and design;
2. Restoration of exterior historical architectural features;
3. Replacement or repair of exterior architectural elements which have structural problems;
4. Replacement of existing signs with new signage and/or lighting for that sign. If the hotel has a mid-century design, a mid-century-style sign is strongly encouraged;
5. Addition and/or replacement of awnings, overhangs, doors and windows that will have a visual improvement to the property. (Replacement of windows or shutters simply to upgrade their strength in storm conditions is not an eligible improvement.);
6. Exterior decorative lighting, lighting that emphasizes landscaping or architectural elements, or lighting that helps illuminate public rights of way;
7. Electrical work directly related to exterior electrical requirements or the installation of approved signage or lighting;
8. Exterior painting that is consistent with a color palette established by the Town;
9. Landscaping improvements. If a substantial amount of plant material is to be used that is not of a xeriscape type, permanent irrigation must be available;
10. Replacement of asphalt areas with pavers, concrete, stamped asphalt or concrete or landscaping.
11. The addition or restoration of sidewalks, bicycle racks, walkways and handicap access ramps consistent with ADA requirements;
12. Improvement, replacement or addition of screening of dumpsters, trash or recycling cans, or utility boxes from view from the public right of way or beach; and

13. Other exterior capital improvements can be considered on a case-by-case basis, but cannot be one of the ineligible improvements listed in the next section.

Ineligible Improvements / Expenses:

1. New buildings;
2. Chain link fencing;
3. Removal of architecturally important features, including Mid-Century Modern architectural features;
4. Installation of aluminum or vinyl siding;
5. Non-permitted work or work done by a non-licensed contractor or person, when such work is required by law to be permitted and/or performed by a licensed contractor;
6. Improvements constructed prior to the execution of the HIP funding agreement; and
7. Design, permitting, processing, and impact fees.

Grant Agreement Conditions:

1. Grant funds are paid after the completion of the work.
2. The improvement project must commence within 60 days of execution of the HIP grant agreement unless the recipient can demonstrate, in the Town's opinion, valid reasons for the delay and significant progress towards commencement.
3. A licensed contractor must perform the work unless it is work which an owner or other person can legally perform without a license.
4. Grant recipients agree that, if the lodging establishment does not achieve SSL designation within 1 year of receipt of HIP grant funds, the applicant shall reimburse the Town within 60 days for all funds received under the HIP unless a different repayment schedule is agreed to in writing by the Town.

Property owner agrees that a lien for the amount due to the Town can be placed upon the property should the funds not be repaid to the Town in 60 days or in accord with an alternate schedule the Town agrees to in writing.
5. Grant recipients agree that, if during the three years following receipt of HIP grant funds, the lodging establishment loses its SSL designation, a prorated amount of the HIP funds received shall be returned to the Town within 90 days of loss of the SSL designation.

Property owner agrees that a lien for the amount due to the Town can be placed upon the property should the funds not be repaid to the Town in 60 days.

6. The property owners will agree that if the use of the property changes to something other than lodging establishment or if the establishment is closed to guests for more than six months for reasons other than active renovation or rebuilding anytime within three years of receiving HIP grant funds, a prorated amount of the HIP grant shall be reimbursed to Town.

APPLICATION PROCEDURE

Pre-Application Meeting:

A pre-application meeting with Town staff is required prior to submitting a HIP application. In order to schedule a pre-application meeting, the applicant must submit the pre-application meeting requirements listed below. Town staff will review the submitted materials and schedule the pre-application meeting. During the meeting, staff will review the merits of the application including discussion of the eligibility criteria, program requirements, proposed project scheduling, and consistency of the proposal with the Town's proposed design guidelines. At this time, the Town may provide architectural, design or landscape advice to the applicant through experts retained by the Town for that purpose. At this stage, Town staff will make a determination as to whether the merits of the proposed project are likely to qualify for grant funds and whether the applicant is sufficiently prepared to move on to the application stage. If necessary, a second meeting may be scheduled.

Questions about the application process should be directed to the Town Planner at 954-640-4213 or LindaC@lbts-fl.gov.

Required Submissions for the Pre-Application Meeting:

1. Color photographs of existing building exterior. Color photographs of adjacent buildings.
2. A conceptual improvement plan including proposed colors and/or materials, if applicable.
3. A proposed construction timeline; and
4. Documentation of SSL designation or proof of application to SSL.

Application:

Application forms and guidelines are available on the Town's website or directly from the Town's Development Services Department.

Depending on the size and complexity of the proposed improvement, we may recommend that applicants retain the services of a registered architect, or similarly qualified design professional, to prepare plans, drawings and construction specifications for their entire project.

The Town expressly reserves the right to reject any or all applications and/or to request additional information. The Town retains the right to display and advertise properties that received HIP funds.

Required Submissions with the Application:

1. Completed application form;
2. Survey of property;
3. If the applicant is a tenant, submission of the lease and a notarized letter of authorization from the property owner;
4. Proof of property insurance;
5. Proof of membership to Superior Small Lodging Association;
6. Written statement of justification;
7. Construction plan or final conceptual improvement plan with materials, schedule and dimensions including, signage, landscape and irrigation plans if applicable;
8. Construction budget; and
9. If the applicant is a corporation, organization, or business entity, the applicant shall provide documentation showing that it is registered with the State of Florida and in good standing.

Applications will be reviewed for completeness and compliance with program criteria. Applications which are incomplete or do not comply with the program criteria will be returned and the applicant may provide the necessary information. If funding is not granted, the applicant will receive written notification explaining the decision and the reasons for the decision.

Final Cost Estimate and Grant Amount:

The amount of funding will be based on the final design and construction estimates included in the project's application. For this reason, applicants are required to have qualified estimators prepare their estimates.

Once the grant is approved, but prior to the execution of a grant agreement, the applicant shall provide written price proposals from no less than three (3) contractors based on the project's final plans and specifications and the name of the selected contractor.

The Town will not be responsible in any manner for the selection of a contractor. The applicant should pursue all activities necessary to determine contractor qualifications, quality of workmanship, and reputation. The applicant shall bear full responsibility for reviewing the competence and abilities of prospective contractors and secure proof of their licensing and insurance coverage.

Construction Start:

Selected applicants will be required to attend a pre-award conference. After the funding agreement has been executed, the applicant may award the construction contract and secure all necessary construction permits.

The owner must issue a "Notice to Proceed" to the contractor, and apply for a building permit within 30-days of executing the funding agreement. The applicant will notify the Town of the construction start date by copy of the written "Notice to Proceed" to be provided to the contractor. Construction must begin within thirty (30) days of grant approval and be completed within six (6) months of grant agreement execution.

The applicant must submit a monthly report on a Town approved form.

Modifications:

Modifications to the approved final plans or changes to the construction documents which produce visible differences in the previously approved facade design (such as changes in exterior materials or colors, additions, or deletions) will require review and approval by the Town Manager. Failure to receive such approval shall invalidate the funding agreement and the agreement will be deemed terminated. **IMPROVEMENTS NOT APPROVED BY THE TOWN WILL NOT BE ELIGIBLE FOR GRANT FUNDING.**

Construction Approval and Billing:

Capital improvements to be made under this program must be initiated and completed within six (6) months of the grant execution. Extensions may be granted at the discretion of the Town Manager, contingent upon the applicant demonstrating just cause for such extension.

Grant Payment:

Grants are paid on a reimbursement basis, contingent upon an applicant's successful completion of the project and meeting the requirements of the grant agreement. A final report on a Town approved form will be required before funds are paid. This report will include paid invoices/receipts detailing the expenses related to project; pictures of the completed project; a certificate of completion from the Town's Building Official and copies of the front and back of all checks. The Town's Development Services will make the final determination as to when the project is complete.

Once the funds allocated for the HIP pilot program are committed to successful applicants, new applications or applications in the review process shall be numbered in the order received and placed in a queue for consideration in the event additional funding for the program is allocated.

Hotel Improvement Program (H.I.P.) Checklist

Pre-Application Meeting:

- ☐ Color photographs of the building's exterior and of adjacent buildings.
- ☐ A conceptual improvement plan including proposed colors and/or materials, if applicable.
- ☐ A proposed construction timeline; and
- ☐ Documentation of SSL designation or proof of application to SSL.

Application Meeting:

- ☐ Completed application form;
- ☐ Survey of property;
- ☐ If the applicant is a tenant, submission of the lease and a notarized letter of authorization from the property owner;
- ☐ Proof of property insurance;
- ☐ Proof of membership to Superior Small Lodging Association;
- ☐ Written statement of justification;
- ☐ Construction plan or final conceptual improvement plan with materials, schedule and dimensions including, signage, landscape and irrigation plans if applicable;
- ☐ Construction budget based on at least one (1) bid from licensed (if required) and insured contractor or company; and
- ☐ If the applicant is a corporation, organization, or business entity, the applicant shall provide documentation showing that it is registered with the State of Florida and in good standing.

After Grant Approval and Prior to Construction Start:

- ☐ Three bids for the approved project by licensed (if required) and insured contractor;
- ☐ A copy of the signed contract, between the contractor and recipient identifying the specific work to be done with a cost breakdown of the work that is visible from the right-of-way;

During the Project:

- ☐ Monthly report on Town approved form which shall include progress and expenses to date;

After Completion of Project:

- ☐ Proof of SSL certification or timeline of expected approval of SSL certification.
- ☐ Final Report on Town approved form which will include:
 - Copy of Town Permit;
 - Detailed expenses and copies of cancelled checks (front and back);
 - Paid invoices/receipts detailing the expenses related to the completed project;
 - A signed affidavit from the licensed contractor (if licensing required) confirming all payments were received;
 - Pictures of the completed project; and
 - A certificate of completion provided by the Town's Building Division, if applicable.

The Town of Lauderdale-By-The-Sea Development Services Department will determine that the project is complete and that the work was completed as proposed in a satisfactory and professional manner. Once staff has verified the completion, funds will be disbursed by a check payable to the applicant.